

## Industry Report

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 International Automotive Task Force (IATF)

**IATF MEETING – March 28, 2007**

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## Do we have a problem?

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## The Technical Specification (Standard) and the Certification Scheme (Rules)

common language of requirements

common CB process

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## Status of TS

	ISO/TS 16949
<b>Launched</b>	<b>1999</b>
<b>Current Edition</b>	<b>2<sup>nd</sup> Ed.– March 2002</b> (based on and includes ISO 9001:2000)
<b>No. of certificates</b>	<b>28000+</b>
<b>No. of CB's</b>	<b>55</b>
<b>No. of Auditors</b>	<b>1900</b>
<b>Automotive Oversight</b>	<b>5 Offices*</b> *Adm. Office: PRC

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## 2006 Year End – Valid TS Certs

- ◆ Africa 342
- ◆ Asia Pacific 11576
- ◆ Europe 8559
- ◆ Middle East 1022
- ◆ North America 5242
- ◆ South America 1270
- Total 28011

NOTE – 2005: 11412

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## IATF Members

- ◆ **Recognizing body of ISO/TS 16949 as defined in the operating principles:**
  - **Vehicle manufacturers:** BMW, DaimlerChrysler, FIAT, Ford Motor, General Motors, PSA, Renault, Volkswagen
  - **Industry trade organizations:** AIAG, ANFIA, FIEV, SMMT, VDA
    - *Note: Toyota, Honda, Nissan had representatives who participated in the development of TS 16949:2002. However, they do not prefer 3<sup>rd</sup> Party Certification but recognize or accept the TS standard and supply organizations who are certified to TS in varying forms.*
    - *Hyundai - preference to suppliers having TS certification.*

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**IATF Oversight offices – global management and operations responsibility:**

- witness audits
- auditor qualification
- data base management
- CB contract management and oversight

Oversight Offices	ANFIA	IAOB	IATF France	SMMT	VDA-QMC
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**IATF Administrative Office-PRC**

- ◆ Witness audit coordination in China for 5 Oversight Offices
- ◆ Communications interface in China for OEM's, suppliers and CB's
- ◆ Liaison with PRC agencies
- ◆ Delivery of a common global automotive standard in a rapidly growing and dynamic market

**IATF Oversight Structure**

- ◆ **IATF - Recognizing Body of ISO/TS 16949**
  - OEM Customer (8) and Supplier Trade Assoc. (5)
- ◆ **Supplier Organization**
  - Client of CB
- ◆ **Certification Body (55)**
  - Conducts 3<sup>rd</sup> party audit
- ◆ **OVERSIGHT Offices (5)**
  - Global responsibility
  - Contracts with CB's
  - Operations and implementation

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- ◆ **Supplier Organization**
  - Client of CB
- ◆ **Certification Body (55)**
  - Conducts 3<sup>rd</sup> party audit
- ◆ **OVERSIGHT Offices (5)**
  - Operate globally
  - Contract with CB's
  - Operations and implementation

**IATF Oversight Office Accountability**

- ◆ **Key process indicators by Oversight office**
  - Office assessment process
  - Witness audit process
    - China administrative office – special metric
  - CB auditor evaluation process
  - CB data base entry and maintenance accuracy
- ◆ **Oversight report on KPI's, operations, action items, developing initiatives, recommendations**
  - IATF agenda item for each meeting

**IAOB Web Site: www.iaob.org**

## What is needed from the automotive supply chain and their QMS?

### STEP 1

- ◆ **Robust manufacturing process design**
  - Based on product design parameters
  - Having targets for productivity, process capability and cost
  - Customer requirements
  - Prior experience

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## What is needed from the automotive supply chain and their QMS?

### STEP 2

- ◆ **Committed and focused management of manufacturing operations**
  - Visual manufacturing management
    - Including fast response process to spills
  - Problem solving tools
  - Verification of corrective action
  - Mind-set: constant and continual improvement

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## Automotive supplier expectations and activities leading to success

- ◆ **Don't hide problems**
- ◆ **Have some safety stock for contingencies**
- ◆ **Manage people**
- ◆ **Listen to the customer**

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## 3<sup>rd</sup> Party Audit Plan and Site Audit Impact

- ◆ **Based on defined organization processes**
  - Including processes that address customer specifics
  - Focus on product realization and support processes
- ◆ **Take into account performance including customer satisfaction and internal measures**
  - Including corrective and preventive action
- ◆ **Information must be reviewed in advance for proper planning**
  - Data needs to be timely
  - Data will be validated on site

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## IATF Auditor Training & Evaluation

- Auditor Licensing
- On-going auditor development including mentoring
  - Need to better define the CB role in auditor competency & development
  - Develop metrics to improve evaluation feedback & CB auditor development processes
  - Pre-qualification of potential new auditors
  - More development → statistical tools, risk assessment, planning, measurement analysis

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## IATF Witness Auditing

- ◆ **Witness audit process**
  - Common process approach
  - Emphasis on basics - including the recognition & writing of findings
  - Focus on the Process Approach
  - CB's make the certification decision
    - How is this managed?

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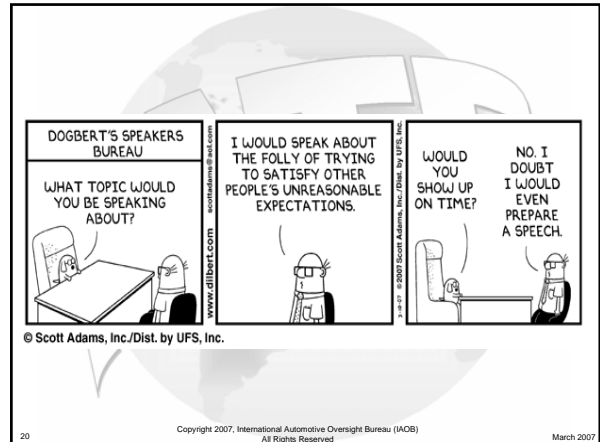
## International Accreditation Forum (IAF) Direction?

- ◆ **Oversight and Accountability of AB's and CB's**
- ◆ **Common Process Approach**
  - For witness auditing and certification audits
  - Audit Plan, Readiness and Conduct of the Audit
  - Process approach focus
  - Auditor qualifications
- ◆ **Implementation of 17021(1) – 3 years??**
  - 2 years → IAF joint communication with ISO. Good!
- ◆ **Performance counts!**

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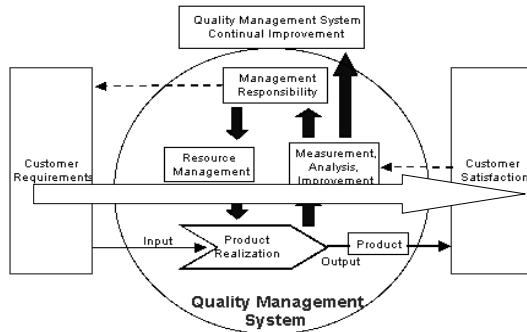


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## Line of Sight Approach QMS interactions at each process



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## Measure of quality

- ◆ **Customer demand and their willingness to pay for a product or service is the only measure of quality.**

Peter Drucker

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## Bottom Line

- ◆ **Sustained improvement at the... OEM manufacturing and assembly centers:**
  - *Warranty reduction*
  - *Elimination of supplier disruptions*
  - *Significant improvement in delivered part quality*
  - *Continual quality system improvement*

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